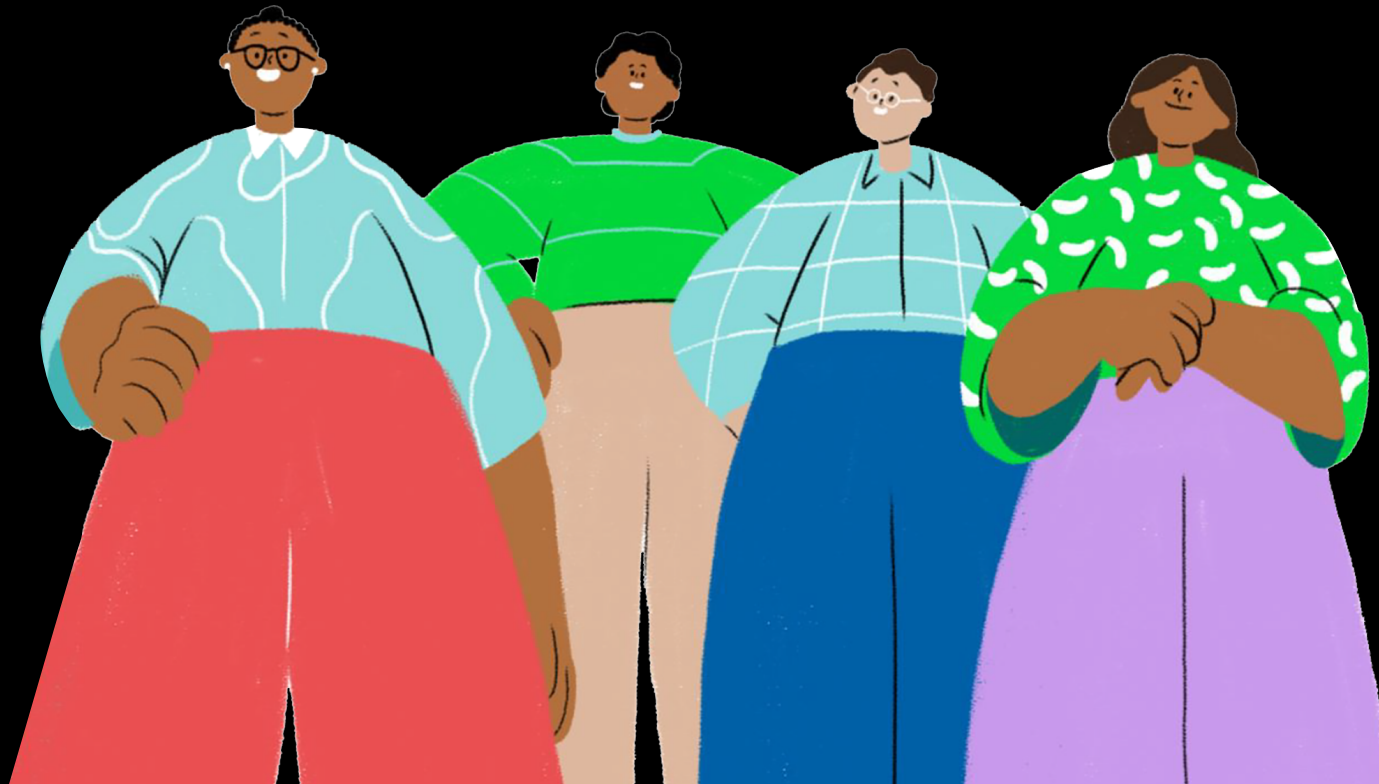# UK
Ethnicity
Pay Gap Report
2024

Sage

An overview of our ethnicity pay gap data

GRI 405-2

About our data

At the time of reporting, Sage had a total of 3,315 colleagues across several employing entities in the UK. We publish data across all our UK employing entities, as we believe this provides the most accurate representation of our data. The data in this report is based on 79% of our UK-based colleagues who met the reporting calculation criteria[1] and who have chosen to share their ethnicity with us.

79%

of our UK-based colleagues met the reporting calculation criteria and chose to share their ethnicity with us

Understanding our ethnicity pay gap data

We have included data from our previous 2 years of reporting as we believe that it is important to show the data in the context of previous years. However, year-on-year comparisons must be treated with caution as the data collected was not statistically significant in earlier years. This was because collecting demographic data was new to our organisation, and it is taking time for our levels of disclosure to become consistent. Since we started reporting in 2021, each year colleagues have shared more about themselves, from 35% in 2021 to 79% this year.

Our mean bonus gap has increased because a higher proportion of white colleagues occupy the top-level roles that receive the largest bonuses. Office location also impacts our ethnicity pay gap. Our global headquarters, where a lot of our UK-based colleagues are based, are in Newcastle. This results in a lower uptake of roles by ethnically diverse people as Newcastle is less ethnically diverse than London.

85%

Total Colleague Data Disclosure 2023: 78%   2022: 70%

The mean ethnicity pay gap is the difference between the mean figure for white colleagues and that for Black, Asian, Mixed Race, and other ethnically diverse colleagues. The mean—or average— is calculated by adding up salaries paid to colleagues in each group and dividing that sum by the number of colleagues in that group.

The median ethnicity pay gap is calculated by listing the wages for all white colleagues and those of all the Black, Asian, Mixed Race, and other ethnically diverse colleagues—from highest to lowest— and comparing the number that sits in the middle for each. The difference in pay between those two individuals is the median pay gap figure.

Our Pay Gap		Our Bonus Gap	
Mean Ethnicity Pay Gap		**Mean Ethnicity Bonus Gap**	
2024	**5.4%**	**2024**	**34.0%**
2023	2.1%	2023	29.8%
2022	0.6%	2022	18.8%
Median Ethnicity Pay Gap		**Median Ethnicity Bonus Gap**	
2024	**-3.9%**	**2024**	**-31.4%**
2023	–5.1%	2023	6.2%
2022	–3.7%	2022	7.6%

1. We currently use the gender pay gap methodology for calculating our ethnicity pay gap so the reporting criteria is as outlined in the gender pay gap regulations.

2. For further information on the assurance of these metrics, please see the Bureau Veritas Limited Assurance statement on pg. 43 - 45 of the Sustainability and Society Report 2024.

An overview of our ethnicity pay gap data continued

"I confirm that the data contained within this report is accurate. Notably, I am delighted that more and more of our Black, Asian and Mixed Race colleagues are sharing their ethnicity data with us, which allows us to have a better understanding of where we need to focus our attention, and helps us identify remedial actions we can take. While our mean ethnicity pay gap has increased this year, we remain committed to reducing this gap across roles, departments and levels within the business. I look forward to making Sage a place where everyone—regardless of their background—can thrive."

Amanda Cusdin
Chief People Officer

`GRI 405-2`

Proportion of white colleagues and Black, Asian, Mixed Race, and other ethnically diverse colleagues in each pay quartile

Quartiles	2024 White colleagues	2024 Black, Asian, Mixed Race, and other ethnically diverse colleagues	2023 White colleagues	2023 Black, Asian, Mixed Race, and other ethnically diverse colleagues
Pay Quartile 4 (Top)	86.4%	13.7%	84.3%	15.7%
Pay Quartile 3	82.8%	17.3%	82.3%	17.7%
Pay Quartile 2	83.7%	16.4%	83.7%	16.3%
Pay Quartile 1 (Bottom)	87.8%	12.1%	87.0%	12.9%

Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of white and Black, Asian, Mixed Race, and other ethnically diverse colleagues in each group.

Colleagues receiving a bonus

🔵 White colleagues   🔵 Black, Asian, Mixed Race, and other ethnically diverse colleagues

2024

87.0%   78.8%

2023

88.4%   83.7%
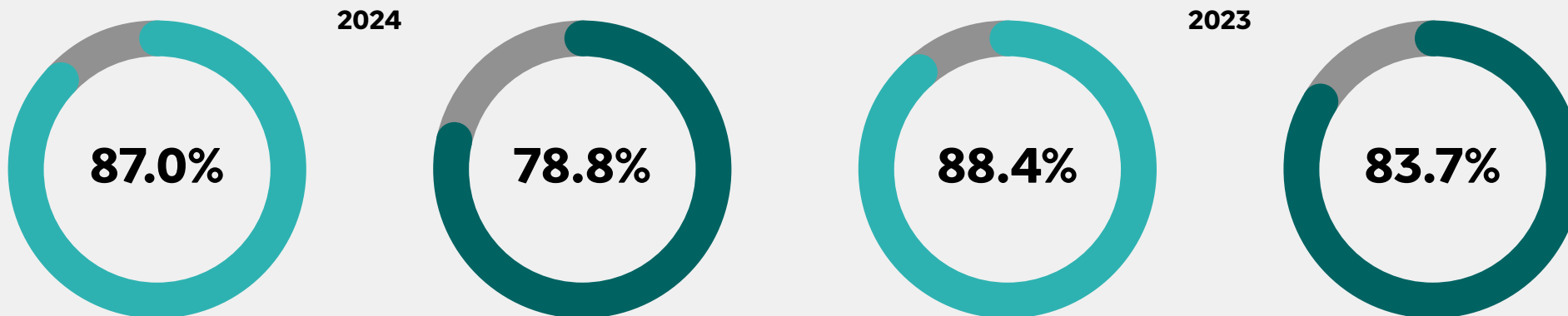
Our progress

We are now in our fourth year of voluntarily reporting our ethnicity pay gap data and continue to be committed to understanding our ethnicity pay gap and reducing it.
In FY24 our key areas of focus were:

GRI 2-12, 2-13

Our Governance

The Executive Leadership Team is composed of 80% white colleagues and 20% Black, Asian, Mixed Race and other ethnically diverse colleagues. Our ELT Ambassador for Race and Ethnicity continues to monitor and advocate for progress within quarterly Global DEI Advisory Board. Additionally, we provide a quarterly update within the Sustainability, AI and Data Ethics Committee meeting and an annual update to the Board.

Throughout FY24, our key areas of focus were:

Self-declaration campaign

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Our most recent "All About Us" self-declaration data campaign— where we invite colleagues to share their demographic information with us—recently concluded. We saw an uplift in participation against the ethnicity self-declaration question from 78% to 85%.

Global Racial & Ethnic Diversity in Leadership Goal

In line with the Parker Review recommendations, we introduced a target of 20% of our leadership group (ELT and their direct reports) made up of colleagues from an historically underrepresented race or ethnic group by the end of 2027. (The target of 20% is based on UK census data which reflects the fact that the majority of our leadership team is based in the UK.) We began FY24 at 11% in 2023 and at the end of this financial year we are at 16%.

This is currently being tracked and monitored at a group level, and forms part of our ELT long term incentive plans and the OKRs of key stakeholders. As our data capture matures, we will look to give specific targets to our ELT members, that take into account their current population, their hiring and restructuring plans, their geography, business area, and the availability of talent.

GRI 3-3-e

Zero tolerance approach to discrimination

We launched a new anti-discrimination, bullying and harassment policy, making our zero-tolerance approach to discrimination clear and providing a clear and transparent process to report concerns. We also launched an anti-discrimination, bullying and harassment hub on our intranet, which provides signposting to wellbeing support and resources, guidance on how to identity and address racial discrimination, as well as guidance for colleagues and managers on how to raise concerns and support colleagues.

Empowering our Colleague Success Networks

The Embrace Network, our race and ethnicity focused Colleague Success Network, provides a safe space for our ethnically diverse colleagues to share their experiences, ask questions and discuss any concerns. The Embrace Network has run a monthly session providing dedicated space for members to talk about issues facing ethnically diverse colleagues and to raise awareness about opportunities available to them across the organisation. Recent speakers have included our VP of DEI & Wellbeing, our Chief Risk Officer and a Co-Lead from our Healthy Mind Coaches. They have also been instrumental in our collaboration with Business in the Community to provide facilitated listening circles for colleagues dedicated to topics such as the Gaza/Israel conflict and the racist violence and Islamophobic attacks that took place across the country.

GRI 3-3-e

Mid Career Talent Accelerator Program Pilot

This year three colleagues participated in The Network Of Networks' Cross-Company Mid Career Talent Accelerator Program.
This program ran for 3 months, aimed at advancing high-potential ethnically diverse professionals to senior positions.
Content covered in the program included how to overcome performance and career derailers, navigating person-centred opportunities for influence and how to own and shape emerging authentic leader identity. Given promising colleague feedback, we plan to expand this pilot to be an ongoing programme, inviting more and more colleagues to participate in future years.

Challenges

Available Data

The accuracy of our pay gap data is impacted by the number of colleagues who share their demographic data with us. At the time of reporting 15% of colleagues had not shared or chosen not to share their demographic data with us. We will continue to raise awareness about the importance of data sharing, and work with colleagues to remove barriers to sharing their data with us.

Reporting Methodology

Due to our small population sizes within ethnic groups we aggregate the data for our reporting to maintain data anonymity, so we report data for white colleagues and for Black, Asian, Mixed Race and other ethnically diverse colleagues. This means our understanding of the ethnicity pay gap issues we face is not as accurate as it could be, as the data may be masking differences between ethnic groups. We are committed to building out our reporting methodology to understand pay gaps between different ethnic groups and also by gender, where we can without compromising confidentiality.

Looking ahead to FY25

GRI 3-3-e

Zero-tolerance approach to discrimination

We will continue to upgrade our reporting process to make it easier to analyse trends from which to target interventions.
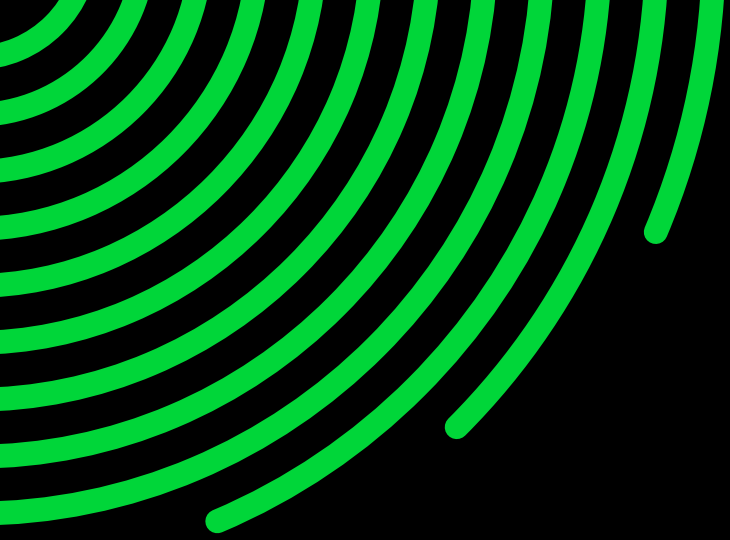
Sponsorship Program Pilot

As part of our commitment to equal career advancement opportunities we will launch a 6-month sponsorship program. The aims of this pilot are to prove the viability of our defined approach and use the learnings from colleagues and sponsors' feedback to improve the program design ahead of a wider rollout to the business.

Continuing to support our Colleague Success Networks

We will continue to support our Embrace Network and partner with them to provide us insights about their experiences to support change.

Building equity into our processes

We will engage with Business In The Community, to undertake an end to end review of key elements of our talent process, and then action their recommendations throughout the rest of the year.

Get in touch

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